



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt Resolution Approving Purchase of Aluminum Chlorohydrate for Surface Water Treatment Facility for Fiscal Year 2013/14 from Sole Source CalChem Company, of Modesto (\$60,000)

MEETING DATE: July 17, 2013

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution approving purchase of aluminum chlorohydrate for Surface Water Treatment Facility for Fiscal Year 2013/14 from sole source CalChem Company, of Modesto, in the amount of \$60,000.

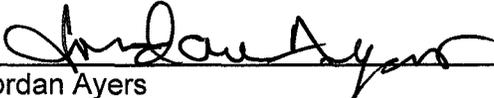
BACKGROUND INFORMATION: The Surface Water Treatment Facility operation requires the purchase of several different chemicals commonly used to treat municipal drinking water. Through the competitive bidding process, chemicals purchased include hypochlorite, salt, soda ash, sodium bisulfite, citric acid, and sodium hydroxide. In addition to these chemicals, aluminum chlorohydrate (ACH) is required for the treatment process to meet total organic carbon removal requirements established the California Department of Public Health. ACH is also a commonly-used chemical for treating municipal drinking water and CalChem Company is the only manufacturer in California (Exhibit A).

The CalChem manufacturing facility for ACH, located in Modesto, is approximately 42 miles from the Surface Water Treatment Facility. This close proximity minimizes freight costs, in addition to providing a lower cost by purchasing directly from the manufacturer versus a chemical supplier.

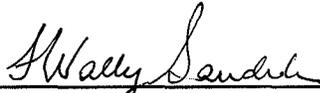
Per Lodi Municipal Code Section 3.20.070, Bidding, the bidding process may be dispensed when the City Council determines that the purchase or method of purchase is in the best interests of the City. Staff recommends purchase of ACH from CalChem Company for FY 2013/14 in the amount of \$60,000 (Exhibit B).

FISCAL IMPACT: Funds for ACH are budgeted in the Water Operations budget.

FUNDING AVAILABLE: Water Plant Operating Fund (180461)



 Jordan Ayers
 Deputy City Manager/Internal Services Director



 F. Wally Sandelin
 Public Works Director

Prepared by Larry Parlin, Deputy Public Works Director – Utilities
 FWS/LP/pmf
 Attachments
 cc: Chief Water Plant Operator

APPROVED: 

 Konradt Bartlam, City Manager



California Aluminum Chemicals

10390 Scenic Drive
Forestville, CA 95436
Tel: 707.887.0227, Fax: 707.887.0248
Cell: 707.479.2894
Wellspolypro@comcast.net

Mr. Andrew Richle
City of Lodi
2001 W Turner
Lodi CA 95241

May 10, 2013

Re: CalChem manufacturing capability

Dear Andrew,

CalChem is the only manufacturer of aluminum chlorohydrate (ACH) and blends in the states of California, Nevada and Oregon. Our manufacturing facility in Modesto CA is 42 miles from the City of Lodi's Water Treatment Facility. Not only does this proximity minimize your freight cost but it also uniquely allows us to meet your needs in times of emergency.

We have recently expanded our manufacturing capacity by adding two more reactors and additional tankage for storage of manufactured products. We use a dedicated trailer for our customers, that assures the quality of the product and helps to prevent any possible cross contamination.

Within the industry we are recognized as manufacturing the highest quality ACH and ACH blends using only the purest of raw materials with strict manufacturing tolerances.

Additionally, I have 32 years of experience in the water treatment industry and will be available to assist you in any capacity I can.

We look forward to working with the City of Lodi. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Wells".

Mark Wells
Independent Sales Representative



California Aluminum Chemicals

May 29, 2013

Mr. Andrew Richle
City of Lodi
2001 W Turner
Lodi CA 95241

Dear Andrew,

As per your request enclosed is the yearly quote for CC2000. Price for the CC2000 is \$0.34 per pound. Freight with the dedicated truck is \$629.00 per load. Based on your estimate of 11,400 gallons per year in 600-gallon deliveries, you will need approximately 19 loads. This equates to 123,405 pounds of CC2000 at \$0.34 per pound for a total of \$41,957.70. At \$629.00 per load for the dedicated truck, annual freight costs \$11,951.00. The total for the product plus freight equals \$53,908.70. Taxes at 8% are \$4,312.70, for a total delivered cost with tax of \$58,221.40. These costs are approximate based on actual usage amounts. Any questions please contact me at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Marcelletti", written over a light blue horizontal line.

Mark Marcelletti
Independent Sales Representative

RESOLUTION NO. 2013-129

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
PURCHASE OF ALUMINUM CHLOROHYDRATE FOR THE SURFACE
WATER TREATMENT FACILITY FOR FISCAL YEAR 2013/14 FROM
SOLE SOURCE CALCHEM COMPANY, OF MODESTO

=====

WHEREAS, the Surface Water Treatment Facility operation requires the purchase of several different chemicals commonly used to treat municipal drinking water. Aluminum chlorohydrate (ACH) is required for the treatment process to meet total organic carbon removal requirements established by the California Department of Public Health; and

WHEREAS, CalChem Company is the only manufacturer in California and is located approximately 42 miles from the Surface Water Treatment Facility in Modesto, CA. This close proximity minimizes freight costs, in addition to providing a lower cost by purchasing directly from the manufacturer versus a chemical supplier; and

WHEREAS, per Lodi Municipal Code Section 3.20.070, Bidding, the bidding process may be dispensed when the City Council determines that the purchase or method of purchase is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the purchase of aluminum chlorohydrate for Surface Water Treatment Facility for Fiscal Year 2013/14 from sole source CalChem Company, of Modesto, California, in the amount of \$60,000.

Dated: July 17, 2013

=====

I hereby certify that Resolution No. 2013-129 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2013, by the following vote:

AYES: COUNCIL MEMBERS – Johnson, Katzakian, Mounce, and
Mayor Nakanishi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Hansen

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL-OLSON
City Clerk